

## Message Text

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DRAFTED BY NEA/ARP:PDMOLINEAUX:PDM

APPROVED BY NEA/ARP:FMDICKMAN

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O 140257Z MAR 76

FM SECSTATE WASHDC

TO E J DALY WORLD AIRWAYS OAKLAND CALIF,

TELEX 335479

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FOLLOWING FROM AMERICAN EMBASSY SANA YEMEN 12 MAR

QUOTE

SUBJECT: WORLD AIRWAYS WET LEASE AGREEMENT

1. PLS PASS TO EDWARD J.DALY OR W. HARDEN STINE OF WORLD  
AIR, OAKLAND IMMEDIATELY, PHONE 415 636 1223 OR T 577 2000  
AND J. REITER OF WORLD, WASH, D.D. 202 298 7107 FROM MR.  
B. COOKE.

PER YOUR INSTRUCTIONS I HAVE NOT FIRMLY COMMITTED WORLD TO  
YEMEN. HAVE SIGNED OFFER/ACCEPTANCE LETTER HOWEVER, WITH UNDER-  
TANDING THAT IF IN 24 HOURS FROM TODAY, MARCH 12, 23  
INFORM YEMENAIR THAT WORLD HAD AN ACCEPTANCE OF ALTERNATIVE  
OFFER PRIOR TO YEMEN ACCEPTANCE, WORLD NOT RPT NOT  
BOUND. FOLLOWING IS COPY OF MY LETTER TO YEMEN AIR  
EXPLAINING SITUATION:

DEAR MR. SHAFI:

I WAS INFORMED THIS MORNING BY TELEPHONE  
FROM OUR HEAD OFFICE IN OAKLAND,  
CALIFORNIA, THAT AT 1830/11 GMT, OR 9:30. P. M.  
LAST NIGHT YEMEN TIME, PSA, A CALIFORNIA INTRA-STATE AIRLINE,  
TELEXED WORLD TO ADVISE THAT IT ACCEPTED WORLD'S  
OFFER OF N691WA ANDN N693WA FOR LEASE FOR A  
13 1/2 MONTH TERM BEGINNING APRIL 1, 1976, WITH  
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OPTION TO RENEW FOR AN ADDITIONAL TERM OF

ONE YEAR, THEREAFTER, THIS IS A STRAIGHT DRY LEASE,  
WITHOUT ANY SUPPORT SERVICES. YOU WILL RECALL IN MY  
LETTER OF MARCH 8 THAT I EXPLAINED THE  
TENDENCY OF OFFERES OF THESE AIRCRAFT TO  
OTHER AIRLINES, AND SPECIFICALLY  
PSA, WHICH EXPECTED REACH ITS DECISION ON MARCH 10.  
SO THE PREDICAMENT IN IN WHICH WE SUDDENLY FIND  
OURSELVES IS NOT UNEXPECTED.

THE QUESTION AS TO WHETHER OR NOT WE CAN MORALLY,  
AND LEGALLY, CONSTRUE OUR CLOSING EXCHANGE  
AT THE MEETING OF YESTERDAY EVENING AS  
AN ACCEPTANCE BY YEMENAIR OF WORLD'S OFFER IS A COMPLEX  
ONE. I HAVE PUT THE QUESTION TO OAKLAND, BUT THERE  
HAS OF COURSE BEEN NO RESPONSE  
AS YET, SINCE UNTIL WE MEET TONIGHT AND YOU CONFIRM  
IN WRITIING THAT YOU ACCEPT THE TERMS OF  
OUR LATEST OFFER, I CANNOT STATE WITH CERTAINTY AND  
CONFIDENCE THAT THERE IS FULL AGREEMENT BETWEEN US,  
EXCEPT FOR DOCIFICATION. BECAUSE OF THE CONFUSED  
SITUATION, I WILL BE GETTING BACK IN TOUCH WITH OAKLAND  
BY TELEX AT 7:15 P.M. THIS EVENING. MEANWHILE, IF YOU FIND  
THE OFFER LETTER THAT  
I HAVE PREPARED TO REFLECT OUR UNDERSTANDING OF OUR  
DISCUSSION ON LAST NIGHT, I WOULD URGE THAT  
YOU SIGN IT, IN ORDER THAT I CAN INFORM OAKLAND ACCORDINGLY.  
WORLD AIRWAYS INC.  
BRIAN A. COOKE  
SENIOR VICE PRESIDENT

2. FOLLOWING ARE CLOSING FOUR PARAGRAPHS OF THE FOUR  
PAGE OFFER: ACCEPTANCE LETTER. BOTH CHAIRMAN SHAI  
AND AMBASSADOR SCOTES CONCUR IN MY JUDGMENT THAT THERE  
WAS FULL AGREEMENT AT CLOSE OF LAST NIGHT'S MEETING,  
MARCH 8TH,  
WHICH FINISHED TOO LATE TO PHONE OR TELEX.  
HOWEVER, IF I AM TO ADVISE THEM THAT WORLD VIEWS TELEXED  
ACCEPTANCE BY PSA PREVAILS MUST DO SO NO LATER THAN  
1700/13 GMT MARCH 13 OR WE ARE COMMITTED TO YEMEN.

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THIS LETTER, WITH ITS ATTACHMENTS, CONSTITUTES  
THE FINAL OFFER OF WORLD. WITH WRITTEN  
ACCEPTANCE BY YEMEN, IN THE FORM HEREINAFTER SPECIFIED,  
THIS LETTER REPRESENTS A FIRM AND BINDING AGREEMENT ON BOTH  
PARTIES, EXCEPT THAT, AS EXPLAINED IN MY LETTER OF MARCH 1, 1976,  
THESE AIRCRAFT HAVE BEEN OFFERED TO OTHER CARRIERS, AND  
IF IT SHOULD BE DETERMINED THAT THERE HAS BEEN AN ACCEPTANCE  
BY ANOTHER CARRIER PRIOR IN TIME TO THE YEMEN

ACCEPTANCE, OF WHICH WE WILL NOTIFY YOU  
WITHIN 24 HOURS, THIS LETTER AGREEMENT  
WILL NOT BE BINDING ON WORLD OR YEMEN.

IN ORDER FOR YOUR WRITTEN ACCEPTANCE BELOW TO BE BINDING UPON WORLD  
YEMEN AIRWAYS DOES, BY YOUR SIGNATURE BELOW,  
AGREE TO PAY TO WORLD THE SUM OF USD 100,000 ON OR  
BEFORE THE CLOSE OF BUSINESS, MONDAY, MARCH 15, 1976, THROUGH  
FIRST NATIONAL CITY BANK, SANAA BRANCH, OR BY OTHER MUTALLY  
ACCEPTABLE MEANS, SUCH PAYMENT TO CONSTITUTE GOOD FAITH  
DEPOSIT WHICH WILL UPON YOUR EXECUTION OF THE  
SUPPORT SERVICE AGREEMENT AND LEASE AGREEMENT,  
BECOME THE DEPOSIT HELD UNDER THE  
SUPPORT SERVICE AGREEMENT.

UPON YOUR SIGNATURE OF ACCEPTANCE BELOW, AA  
AND WORLD WILL IMMEDIATELY DRAFT  
DEFINITIVE AGREEMENTS COVERING THE AA-YEMEN  
AGREEMENT AND INCORPORATING THE  
TERMS AND CONDITIONS OF THE AIRCRAFT LEASE  
AND SUPPORT SERVICES SET FORTH  
HEREIN, SUCH DRAFT AGREEMENTS TO BE PRESENTED TO YEMEN  
IN SANA NO LATER THAN THURSDAY, MARCH 18, 1976.  
THE PARTIES FURTHER AGREE TO NEGOTIATE ON AN  
EXPEDITED BASIS TO PERMIT EXECUTION OF THE TWO  
WORL-YEMEN AGREEMENTS ON THE GAYEMEN#AGREEMENT,  
NO LATER THAN SATURDAY, MARCH 20, 1976.

YOUR SIGNING AND  
RETURNING THE ATTACHED COPY OF THIS LETTER WILL  
CONSTITUTE YOUR ACCEPTANCE OF WORLD'S OFFER AS SET  
FORTH HEREIN AND THE  
LETTER IS CONSIDERED A BINDING COMMITMENT ON  
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BOTH PARTIES EXCEPT AS OTHERWISE STATED ABOVE.

3. CHAIRMAN SHAIK SIGNED THE AGREEMENT IN THE FORM  
DEVELOPED BY ME AND IN ACCORDANCE WITH MY UNDERSTANDING  
OF THE AGREEMENT REACHED LAST NIGHT WITHOUT A SINGLE  
CHANGE. LETTER MENTIONED FOLLOWING LANGUAGE RE 727 PAX  
AIRCRAFT:

WORLD WILL BE ENTITLED TO SUBSTITUTE FOR EITHER OR  
BOTH OF THE AFOREMENTIONED AIRCRAFT, ANY OTHER  
B727-100 TYPE AIRCRAFT WHICH MAY  
BE FIGURED TO ACCOMMODATE 131  
SEATS AND WHICH CAN ACCOMMODATE AN AVAILABLE NBIN#  
LOAD IN POUNDS EQUAL TO OR GREATER THAN  
AFOREMENTIONED AIRCRAFT: THE SUBSTITUTE

AIRCRAFT MAY BE OF THE "STRAIGHT  
PASSENGER, NON-CONVERTIBLE" TYPE.

4. COOKE AND BERBOTH WILL REMAIN SANA TO FINALIZE AND  
OBTAIN SIGNATURE ON DETAILED LEASE AGREEMENT AND SUPPORT  
SERVICE AGREEMENT ASAP UNLESS OTHERWISE DIRECTED.  
AMBASSADOR SCOTES.  
KISSINGER

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